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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/991,379	<b>Applicant(s)</b> MASCAVAGE ET AL.
	<b>Examiner</b> SIEGFRIED E. CHENCINSKI	<b>Art Unit</b> 3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
  - If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
  - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(o).

#### Status

- 1) Responsive to communication(s) filed on 08 November 2007.
- 2a) This action is FINAL.      2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-20 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO/SB/08)  
 Paper No(s)/Mail Date 10/26/07
- 4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date \_\_\_\_\_  
 5) Notice of Informal Patent Application  
 6) Other: \_\_\_\_\_

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**1. Claims 1-7, 9-15 & 17-20 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Wilf et al (US Patent 5,899,980, hereafter Wilf) in view of Stein et al. (US Patent 5,826,241, assigned to PayPal, hereafter Stein), Paltenghe et al. (PreGrant Publication 2002/0004783 A1, hereafter Paltenghe), Daniels et al. (US Patent 5,758,126, hereafter Daniels), Matyas, Jr. (US Patent 6,102,287, hereafter Matyas), and Applicant Admitted Prior Art (hereafter AAPA).

**Re. Claim 1,** Wilf discloses a method for authorizing and checking out from an online purchase between a customer and a vendor site/merchant system, the method comprising steps of:

- from the funds transfer server, interacting with the customer's computer to receive a transaction amount (Wilf calls the "transaction amount" the "transaction sum".) through an interface and receive customer assent to the transaction amount. (The term "transaction detail" is an integral component of Wilf's preferred term "transaction data" for approval by the customer/user. Wilf uses this term throughout the reference. Examples are Col. 2, lines 30, 35, 37 and following throughout the reference. Wilf provides specific definition to the effect that a "transaction amount" is a component of this "transaction detail" as illustrated in the following locations: Col. 1, lines 27-28 and Col. 9, lines 24-29).
- receiving authorization from the customer for billing of the transaction sum, wherein the transaction sum corresponds to the online purchase; and notifying the vendor site of authorization (Col. 2, lines 3-15, 52 – Col. 3, line 12).

Wilf does not explicitly disclose

- at a funds transaction server, receiving transaction information from the vendor site, wherein the transaction information comprises a transaction amount;
- opening a pop-up window for the customer;
- from the funds transfer sever, interacting with the pop-up window to present a transaction amount in the pop-up window.

However, Paltenghe discloses at a funds transaction server (the wallet server), receiving transaction information from the vendor site, wherein the transaction information comprises a transaction amount (implicitly included in the invoice information (pp. 6-7, [0071], II. 3-11, 12-15, 19-22, 29-31).

Also, Stein discloses the presenting of the transfer amount through an internet interface (Col. 7, I. 58 – Col. 8, I. 18). The ordinary practitioner of the art would have seen it as obvious at the time of Applicant's invention that a web browser window was a practical and popular interface for displaying this transaction data for the customer buyer's authorization or rejection of the payment by transfer. Stein also discloses the use of a debit for making payment for a transaction performed over the internet as payment for the internet purchase's transaction amount (Col. 10, I. 51).

Further, Daniels discloses a definition for pop-up windows as windows 'which open or "pop-up" when a display button is actuated' (Col. 13, II. 58-60).

In addition, Matyas discloses the use of pop-up windows in order to achieve a task in a payment process (Col. 12, I. 41, 46-49).

Finally, Applicant admits in his argument that the term "pop-up window" was "notoriously well known" at the time of this parent application's filing date (Appeal Brief, page 4, I. 19; p. 8, I. 6). Applicant also admits in his Reply Brief received on July 27, 2005 that "pop-up window is synonymous with a new web browser window, automatically opened and viewable by the customer" (p. 4, II. 1-3). This argument is convincing as it records Applicant's admission of the "automatically opening a new web browser window for the customer" as Appellant admitted prior art (AAPA), since pop-up windows were an obvious and even ubiquitous automatic phenomenon experienced by millions of web

browser users at the time of Applicant's invention. Therefore, it would have been obvious to an ordinary practitioner of the art at the time of Appellant's invention to have combined the disclosure of Wilf, Paltenghe, Stein, Daniels, Matyas and AAPA to establish an automated purchasing method for authorizing an online purchase between a customer and a vendor site which includes efficient automated web based steps and user conveniences for validating the payment for an online transaction without exposing the customer's personal information by maintaining security, motivated by a desire to overcome the reluctance of some users to transmit credit card account information over the internet (Wilf, Col. 1, ll. 24-27).

**Re. Claim 2**, as discussed in the rejection of claim 1 above, Wilf discloses a method wherein the equivalent of a pop-up window points away from the vendor site by pointing to the transaction server (Col. 2, lines 26-34).

**Re. Claim 3**, Wilf and Stein disclose a method for authorizing and checking out from an online purchase between the customer and the vendor site comprising a step of receiving account information from the customer corresponding to an account authorized for the debit (Wilf, Col. 2, lines 34-47. See claim 1 re. the debit).

**Re. Claim 4**, Wilf, Daniels, Matyas and AAPA disclose a method for authorizing and checking out from an online purchase between the customer and the vendor site wherein the equivalent of a pop-up window (i.e. the automatic browser window per the rejection of claim 1 above) overlays an existing web browser window of the vendor site (Wilf, Col. 2, lines 3-5, 47-51).

**Re. Claims 5, 13 & 19**, Wilf, Daniels, Matyas and AAPA disclose a method for authorizing and checking out from an online purchase between the customer and the vendor site wherein the receiving transaction information step triggers the opening the equivalent of a pop-up window step (Wilf, Col. 2, lines 3-15. See claim 1 above re. pop-up window.).

**Re. Claims 6, 14 & 20**, Wilf discloses the method for authorizing and checking out from an online purchase between the customer and the vendor site further comprising a step of transferring payment to an account associated with the vendor site after authorization is received (Col. 7, lines 45-57).

**Re. Claim 7**, Wilf, Daniels, Matyas and AAPA disclose a step of presenting a message to the customer in the equivalent of a pop-up window indicating at least one of the following: that authorization was canceled by the customer; that authorization was rejected by a funds transfer system; and that authorization completed normally (Wilf, Col. 7, line 58 - Col. 9, line 20. See claim 1 above re. pop-up window).

**Re. Claim 9**, Wilf discloses a computer-readable medium having computer-executable instructions for performing the computer-implementable method for authorizing and checking out from an online purchase between the customer and the vendor site of claim 1 (Col. 1, line 63- Col. 2, line 3).

**Re. Claim 10**, Wilf, Stein, Daniels, Matyas and AAPA disclose a method for checking-out from an online purchase by a customer from a merchant system, the method comprising steps of:

- at a funds transfer system, receiving transaction information from the merchant system, wherein the transaction information includes a transaction amount and wherein the funds transfer system is located at a network location away from the merchant system (See the rejection of claim 1);
- opening a pop-up window that is viewable by the customer, wherein the pop-up window is formulated by the funds transfer system (See the rejection of claim 1);
- from the funds transfer system, interacting with the pop-up window to present a transaction amount in the pop-up window and receive customer assent to the transaction amount (See the rejection of claim 1).
- receiving authorization from the customer for the transaction amount, wherein the transaction amount corresponds to the online purchase (Wilf, Col. 2, lines 3-15, 52 – Col. 3, line 12); and
- notifying the merchant system of authorization (Wilf, Col. 2, lines 3-15, 52 – Col. 3, line 12).

Wilf does not explicitly disclose receiving authorization from the customer of a debit for the transaction amount, wherein the debit corresponds to the online purchase.

However, Stein discloses the use of a debit for making payment for a transaction performed over the internet as payment for the internet purchase's transaction amount (Col. 10, l. 51).

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to combine the art of Wilf, Stein, Daniels, Matyas and AAPA to establish an automated purchasing method for checking-out from an online purchase by a customer from a merchant system which includes efficient automated web based steps and user conveniences for validating the payment for an online transaction without exposing the customer's personal information by maintaining security, motivated by a desire to overcome the reluctance of some users to transmit credit card account information over the internet (Wilf, Col. 1, ll. 24-27).

**Re. Claim 11**, Wilf and Stein disclose a step of receiving account information from the customer corresponding to an account available for debits by the funds transfer system (Wilf, Col. 2, lines 34-47. See claim 1 re. the debit).

**Re. Claim 12**, Wilf, Daniels, Matyas and AAPA disclose a method wherein the pop-up window overlays an existing web browser window of a web site associated with the merchant system (The a pop-up window implicitly overlays the existing web browser window being viewed).

**Re. Claim 13**, Wilf, Daniels, Matyas and AAPA disclose a method wherein the receiving transaction information step triggers the opening of a pop-up window step (This triggering step is implicit to the way a pop-up window or automatically opening window is implicitly designed to work).

**Re. Claim 14**, Wilf discloses a comprising a step of transferring payment to an account associated with the merchant system after authorization is received (Col. 2, ll. 14-15).

**Re. Claim 15**, Wilf discloses a method comprising a step of presenting a message to the customer in another window indicating at least one of the following: that authorization was canceled by the customer; that authorization was rejected by the funds transfer system; and that authorization completed normally. (Col. 7, line 58 - Col. 9, line 20.).

**Re. Claim 17,** Wilf discloses a method for checking-out from an online purchase by a customer from a merchant system, the method comprising steps of:

- at a funds transfer system that is located at a network location away from the merchant system, receiving account information from the customer (Col. 1, l. 61 – Col. 2, l. 51. See the rejection of claim 1. Further, the funds transfer system is obviously at a location away from the merchant system connected by the world wide web (col. 1, ll. 5-24, 44-49; col. 1, l. 61-col. 2, 3);
- from the funds transfer system, interacting with the pop-up window to present a transaction amount in the pop-up window and receive customer assent to the transaction amount (see the rejection of claim 1);
- receiving authorization from the customer for the transaction amount, wherein the transaction amount corresponds to the online purchase (Col. 2, ll. 32-47); and
- notifying the merchant system of authorization (Col. 2, lines 3-15, 52 – Col. 3, line 12).

Wilf does not explicitly disclose

- receiving account information from the customer corresponding to an account available for debits by the funds transfer system;
- receiving authorization from the customer of a debit for the transaction amount, wherein the debit corresponds to the online purchase.
- opening a pop-up window that is viewable by the customer, wherein the pop-up window is formulated by the funds transfer system (col. 2, ll. 3-51 - see the rejection of claim 1);

However, Stein discloses the use of a debit for making payment for a transaction performed over the internet (Col. 10, l. 51). This implicitly includes receiving account information from the customer corresponding to an account available for debits by the funds transfer system; and receiving authorization from the customer of a debit for the transaction amount, wherein the debit corresponds to the online purchase.

Daniels and Matyas disclose the use of pop-up windows (see the rejection of claim 1).

Therefore, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to combine the art of Wilf, Stein, Daniels, Matyas and AAPA with well known art to establish an automated purchasing method which includes efficient automated web based steps and user conveniences for validating the payment for an online transaction without exposing the customer's personal information by maintaining security, motivated by a desire to overcome the reluctance of some users to transmit credit card account information over the internet (Wilf, Col. 1, ll. 24-27).

**Re. Claim 18**, Wilf, Daniels and Matyas and AAPA disclose a method wherein the account information is received through the pop-up window (Wilf, Col. 2, lines 3-15. See claim 1 above re. pop-up window.).

**Re. Claim 19**, Wilf discloses a method comprising a step of receiving transaction information from the merchant system (Col. 2, lines 3-15.).

**Re. Claim 20**, Wilf discloses method of transferring payment to an account associated with the merchant system after authorization is received (Col. 2, lines 3-15; Col. 7, lines 45-57).

2. **Claims 8 & 16 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Wilf, Stein, Fung and AAPA in view of Kolling et al (US Patent 5,920,847, hereafter Kolling).

**Re. Claims 8 & 16**, none of Wilf, Stein, Daniels, Matyas and AAPA explicitly disclose a method for authorizing and checking out from an online purchase between the customer and the vendor, wherein the notifying step comprises a step of determining that a notification message was not received by the vendor site within a predetermined time period. However, Kolling discloses a method for authorizing and checking out from an online purchase between the customer and the vendor site wherein the notifying step comprises a step of determining that a notification message was not received by the vendor site within a predetermined time period (Col. 37, lines 2-8). It would have been obvious for an ordinary practitioner of the art at the time of applicant's invention to have combined the disclosure of Wilf, Stein, Daniels, Matyas and AAPA with the disclosure of Kolling to establish an automated purchasing method which included a time limit for

notifying a vendor of payment approval for an automated transaction in order to protect a vendor from undue delay in verifying such a transaction while minimizing costs, maintaining certain controls and discretionary actions on behalf of the biller, and simplifying the process for all the parties (Kolling, Col. 10, ll. 25-62).

***Response to Arguments***

**3.** Applicant's arguments filed November 8, 2007 with respect to claims 1-20 have been fully considered but they are not persuasive.

**ARGUMENT A:** The Office Action has not established a case of *prima facie* obviousness with respect to any pending claim. Specifically, the references do not teach or suggest all of the claim elements, there exists no expectation that the references could be combined as suggested by the Office Action to produce the Applicants' claimed invention, and the motivation cited by the Office Action would not motivate one to combine the references as suggested by the Office Action. Hence, all pending claims are believed to be allowable (p. 7, ll. 5-11). Applicant supports his argument with claim 1 as exemplary (p. 7, l. 12).

**RESPONSE:** Applicant supports his argument with three sub-arguments (p. 7, ll. 7-11):

1. The references do not teach or suggest all of the claim elements,
2. there exists no expectation that the references could be combined as suggested by the Office Action to produce the Applicants' claimed invention, and
3. the motivation cited by the Office Action would not motivate one to combine the references as suggested by the Office Action.

**THE MATTER OF LAW:**

BPAI, *Ex parte CATAN*, Appeal 2007-0820, Decided: July 3, 2007

**PRINCIPLES OF LAW**

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject

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matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.”” *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734, 82 USPQ2d 1385, 1391 (2007).

The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966). See also *KSR*, 127 S.Ct. at 1734, 82 USPQ2d at 1391 (“While the sequence of these questions might be reordered in any particular case, the [Graham] factors continue to define the inquiry that controls.”) The Court in *Graham* further noted that evidence of secondary considerations, such as commercial success, long felt but unsolved needs, failure of others, etc., “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” 383 U.S. at 18, 148 USPQ at 467.

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739, 82 USPQ2d at 1395, and discussed circumstances in which

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a patent might be determined to be obvious without an explicit application of the teaching, suggestion, motivation test.

In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 12, 148 USPQ 459, 464 (1966) (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

*Id.* at 1740, 82 USPQ2d at 1396. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Supreme Court made clear that “[f]ollowing these principles may be more difficult in other cases than it is here because the claimed subject matter may involve more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement.” *Id.* The Court explained, “[o]ften, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *Id.* at 1740-41, 82 USPQ2d at 1396. The Court noted that “[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.* at 1741, 82 USPQ2d at 1396.

**In the instant case,**

**Regarding sub argument 1:** The references do not teach or suggest all of the claim elements.

**RESPONSE:** As stated by the Supreme Court above, ‘the Court noted that “[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged

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claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.””

The examiner has provided such “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”.

**Regarding sub argument 2:** There exists no expectation that the references could be combined as suggested by the Office Action to produce the Applicants' claimed invention.

**RESPONSE:**

- (a) **MPEP 2144 \*\*Supporting a Rejection Under 35 U.S.C. 103 [R-6]**  
**>II. < THE EXPECTATION OF SOME ADVANTAGE IS THE STRONGEST**

**RATIONALE FOR COMBINING REFERENCES**

The strongest rationale for combining references is a recognition, expressly or impliedly in the prior art or drawn from a convincing line of reasoning based on established scientific principles or legal precedent, that some advantage or expected beneficial result would have been produced by their combination. *In re Sermaker*, 702 F.2d 989, 994-95, 217 USPQ 1, 5-6 (Fed. Cir. 1983). >See also *Dystar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick*, 464 F.3d 1356, 1368, 80 USPQ2d 1641, 1651 (Fed. Cir. 2006) (“Indeed, we have repeatedly held that an implicit motivation to combine exists not only when a suggestion may be gleaned from the prior art as a whole, but when the ‘improvement’ is technology-independent and the combination of references results in a product or process that is more desirable, for example because it is stronger, cheaper, cleaner, faster, lighter, smaller, more durable, or more efficient. Because the desire to enhance commercial opportunities by improving a product or process is universal-and even common-sensical-we have held that there exists in these situations a motivation to combine prior art references even absent any hint of suggestion in the references themselves.”).

(The word “IMPLICIT” in the above paragraph excerpted from the MPEP has been UNDERLINED and made **BOLD** by the examiner for Applicant's convenience).

- (b) The above court opinions, in addition to the above Supreme Court KSR decision excerpts, further establish that the examiner has properly established reasons for combining references and has stated a proper motivation for the combinations of references, combined with proper rationale, in the above rejections and in the last Office Action.

**Regarding sub argument 3:** The motivation cited by the Office Action would not motivate one to combine the references as suggested by the Office Action.

**RESPONSE:**

**(a) MPEP 2144. \*\*Supporting a Rejection Under 35 U.S.C. 103 [R-6]**

**>I. < RATIONALE MAY BE IN A REFERENCE, OR REASONED FROM COMMON KNOWLEDGE IN THE ART, SCIENTIFIC PRINCIPLES, ART-RECOGNIZED EQUIVALENTS, OR LEGAL PRECEDENT**

The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (setting forth test for implicit teachings); *In re Eli Lilly & Co.*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); *In re Nilssen*, 851 F.2d 1401, 1403, 7 USPQ2d 1500, 1502 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter. 1985) (examiner must present convincing line of reasoning supporting rejection); and *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning).

**(b)** The above court opinions, in addition to the above Supreme Court KSR decision excerpts, further establish that the examiner has properly combined references and has stated a proper motivation for the combinations of references, combined with proper rationale, in the above rejections and in the last Office Action.

**4. Regarding the bar for an Applicant's Rebuttal Arguments:**

Regarding all three sub-arguments, each has failed to meet the bar for rebuttal of the examiner's evidence combined with adequate rationale, as required by MPEP 2145.

**(a) MPEP 2145. Consideration of Applicant's Rebuttal Arguments [R-3]**

**I. ARGUMENT DOES NOT REPLACE EVIDENCE WHERE EVIDENCE IS NECESSARY**

Attorney argument is not evidence unless it is an admission, in which case, an examiner

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may use the admission in making a rejection. See MPEP § 2129 <2100\_2129.htm> and § 2144.03 <2100\_2144\_03.htm> for a discussion of admissions as prior art.

The arguments of counsel cannot take the place of evidence in the record. *In re Schulze*, 346 F.2d 600, 602, 145 USPQ 716, 718 (CCPA 1965); *In re Geisler*, 116 F.3d 1465, 43 USPQ2d 1362 (Fed. Cir. 1997) ("An assertion of what seems to follow from common experience is just attorney argument and not the kind of factual evidence that is required to rebut a *prima facie* case of obviousness."). See MPEP § 716.01(c) <0700\_716\_01\_c.htm> for examples of attorney statements which are not evidence and which must be supported by an appropriate affidavit or declaration.

(b) In the instant case of applicant's arguments, Applicant's arguments merely consist of various allegations, none of which rise to the level required by the MPEP.

**ARGUMENT B:** "... claims 12 and 13 are believed to be allowable because the Office Action states that the limitations are "implicit," which is not a proper rejection." (p. 8, II. 22-24).

**RESPONSE:**

(a) **MPEP 2144 \*\*Supporting a Rejection Under 35 U.S.C. 103 [R-6]**  
>*I. < RATIONALE MAY BE IN A REFERENCE, OR REASONED FROM COMMON*

*KNOWLEDGE IN THE ART, SCIENTIFIC PRINCIPLES, ART-RECOGNIZED  
EQUIVALENTS, OR LEGAL PRECEDENT*

The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (setting forth test for implicit teachings); *In re Eli Lilly & Co.*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); *In re Nilssen*, 851 F.2d 1401, 1403, 7 USPQ2d 1500, 1502 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter. 1985) (examiner must present convincing line of reasoning supporting rejection); and *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning).

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(The word "IMPLICIT" in the above paragraph excerpted from the MPEP has been UNDERLINED and made **BOLD** by the examiner for Applicant's convenience).

**(b)** The above court opinions, in addition to the above Supreme Court KSR decision excerpts, establish the examiner's use of the word "implicit" in the rejections of claims 12 and 13 as proper. This demonstrates that implicitness is distinct from inherency and that the "inherency" analysis suggested by Applicant is not appropriate.

### ***Conclusion***

**4. THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Alexander Kalinowski, can be reached on (571) 272-6771.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

*Commissioner of Patents and Trademarks, Washington D.C. 20231*

or (571)273-8300 [Official communications; including After Final  
communications labeled "Box AF"]

(571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or  
"DRAFT"]

Hand delivered responses should be brought to the address found on the above  
USPTO web site in Alexandria, VA.

SEC

February 17, 2008

/Narayanswamy Subramanian/  
Primary Examiner  
Art Unit 3691